



Agenda Item No. (10)(A)
Special Order of Business

To: Board of Directors
Meeting of July 26, 2024

From: Denis J. Mulligan, General Manager

Subject: **APPROVE A WAGE ADJUSTMENT FOR NON-REPRESENTED EMPLOYEES AND DEPUTY GENERAL MANAGERS, WITH THE EXCEPTION OF DISTRICT OFFICERS**

Recommendation

It is recommended that the Board of Directors approve the following actions relating to non-represented classifications:

- 1) Increase wages for all non-represented employees, effective the first pay period in which the Board of Directors approves the recommendation or the dates below, as follows:
 - a. Upon approval – 3.5% increase
 - b. July 1, 2025 – 3.75% increase
 - c. July 1, 2026 – 4.0% increase;
- 2) Provide a cash stipend of \$500 annually for active employees until an alternative solution to Delta Dental's limited coverage can be developed. Employees can put it into their FSA pre-tax or can take it as a non-pensionable cash payment; and,
- 3) Adjust the Adopted Budget for an increase of \$1,142,934 in Salaries and Fringe Benefits for FY 24/25 for the Non-Represented Employees.

Background

At the meeting of July 26, 2024, the Board of Directors will be considering an action to approve a settlement agreement with the Union Coalition. As part of that agreement, a three-year wage increase, and adjustment to the medical plan stipends, and an annual stipend of \$500 to address dental coverage challenges, among other items were agreed upon.

There are currently approximately 145 non-represented employees employed at the District. Staff recommends that the Board of Directors approve similar annual wage increases, and the annual non-pensionable payment of \$500 to cover dental expenses to all full-time regular non-represented employees.

It is recommended that part-time non-represented employees receive the same wage increase. It is recommended that the medical stipend and \$500 payment for part-time non-represented employees be subject to the provisions of their coverage in the Human Resources Guide; wherein if they receive medical coverage, those amounts will be prorated based on the hours they work.

Fiscal Impact

The estimated cost of these provisions over the life of the three-year contract is approximately \$7.4 million. The estimated cost in FY 24/25 of \$1.1 million, if approved, will be reflected in the final FY 24/25 Adopted Operating Budget.